

The Lindon City Council held a regularly scheduled meeting on **Tuesday, June 17, 2014 at 7:00 p.m.** in the Lindon City Center, City Council Chambers, 100 North State Street, Lindon, Utah.

REGULAR SESSION – 7:00 P.M.

Conducting: Jeff Acerson, Mayor
Pledge of Allegiance: Cody Cullimore, Chief of Police
Invocation: Carolyn Lundberg, Councilmember

PRESENT

ABSENT

Jeff Acerson, Mayor
Matt Bean, Councilmember
Randi Powell, Councilmember
Van Broderick, Councilmember
Jacob Hoyt, Councilmember
Carolyn Lundberg, Councilmember
Adam Cowie, City Administrator
Cody Cullimore, Chief of Police
Kathryn Moosman, City Recorder

1. Call to Order/Roll Call – The meeting was called to order at 7:00 p.m.

2. Presentations/Announcements –

a) **Mayor/Council Comments** – Councilmember Powell mentioned that the Lindon Days committee will be holding a “Flag Retirement Ceremony” conducted by the National Guard on Thursday, August 7, 2014 during the Lindon Days at the rodeo arena. She noted this will be a very nice solemn ceremony and a respectful way to dispose of the flag in a proper manner. She noted if any residents have any flags they need to retire to contact the city center.

b) **Presentation** – *Marketing Lindon’s Recycling Program*. Damian Howard BYU Political Science student will present information that can be used for a future awareness campaign as the City Council contemplates ways to increase recycling of waste in Lindon City.

Mr. Howard addressed the Council and presented his Marketing recycling program for Lindon at this time. Mr. Damian noted that this is a huge opportunity and he really hopes to be able to help Lindon incorporate his program. Mr. Howard stated that he is a student studying Political Science at Brigham Young University and is currently taking a class on civic engagement. He stated that part of the coursework requires that he volunteer his time and engage in political civic engagement that is meant to keep or turn an organization in a positive and meaningful direction. Mr. Howard stated that he is here to present a project that he has been working on with the help of

Councilmember Lundberg. He went on to say his aim tonight is to give the Council some background information about why this project is important and to provide information about Lindon's current recycling program and why it should be changed. He will also explain how using an awareness and marketing campaign like this will help Lindon residents maintain a high recycling participation rate after the recycling program has changed and help turn the city in a positive direction. He hopes this program will help Lindon change its recycling program from an opt-in to an opt-out program.

Mr. Howard pointed out there is a theory on recycling participation that is referred to as the 20-60-20 theory where 20% of residents are going to recycle all the time no matter what, with another 20% of residents that are never going to recycle no matter what, then there is the bulk of the community, 60%, that really do not have an opinion on recycling, so they will get involved if you make it easy for them; opt-out recycling programs help to capture more of these individuals. He added if they are given a recycling can, they're going to use it, even if there is a small fee involved. This 60% is the group the City should focus on; those residents on the fence who are not yet recycling because it has not been convenient enough.

Mr. Howard further explained that Lindon currently has an opt-in recycling program, in which, in order to recycle, a resident has to be proactive and take the initiative. They have to take the time to contact the City in order to get the recycling can service set up. Mr. Howard stated that in order to capture the 60% that would recycle if it were easy and hassle-free, Lindon should modify to an "opt-out" program that begins by assuming all Lindon city residents will take part and a recycling can will automatically be delivered to every residence. However, participation is not mandatory and residents may cancel or "opt-out" of the blue can delivery.

He noted that American Fork and Pleasant Grove are two of Lindon's neighbors that have opt-out recycling programs. In Lindon, Republic Services takes care of 2,499 homes with garbage services. Of those homes, 809 are recycling currently. That is a 32% participation rate. Opt-out recycling programs get a city closer to that 50-80% participation rate—depending on the residents and how the program is pitched. A reasonable starting goal for Lindon after the first initial months of an opt-out program would be a 51% participation rate, with that rate climbing even higher as residents continue to be informed to the city's new recycling culture.

Mr. Howard further discussed that in 2013, Lindon residents recycled 394,000 pounds of recyclables. Those recycling efforts by the residents saved the city \$6,600 in disposal fees. These savings are passed on to Lindon residents by keeping the can fees very low compared to other cities. Alissa Dailey, the Community Relations Manager for Republic Services, estimates that an increase in the recycling participation rate from 32% to 51% would result in an additional 188,000 pounds of recyclables picked up each year and an extra \$3,000 in savings in reduced tipping fees at the landfill. Mr. Howard also pointed out that a second regular garbage can adds \$7.32 to a resident's monthly city utility bill. A recycling can adds \$4.13 to a monthly bill. He noted that many Lindon residents have taken advantage of the savings of having one regular garbage can and one recycling can instead of two regular garbage cans. They could also save roughly \$38 a year by participating in the recycling program. By having more people recycle, the city saves money by reducing disposal fees and the savings are then passed on to Lindon residents which increases lifespan to area landfills along with the social benefits of

preserving natural resources and reducing energy consumption through recycling. Mr. Howard commented that the City Council's challenge is to make sure, once an opt-out proposal is passed, that the residents are fully informed about the program so that people will be excited to keep the recycling can and stay in the program.

Mr. Howard explained why there should be a focus on all media outlets available to reach the residents of Lindon before the new opt-out program begins. His awareness campaign ideas focus on using Twitter, Facebook, YouTube, the Daily Herald, door-to-door information, mailers, Lindon Days Fair, pamphlets for city-owned places, and revamping Lindon City's website to make it as easy as possible for everyone to understand and be excited about the program. He noted that he will email his entire project to Adam Cowie.

Councilmember Lundberg expressed her thanks to Mr. Howard for the time he has volunteered on the presentation and mentioned that Allissa Daley, with Republic Services, has indicated they will be re-negotiating the cost of the blue can with the anticipation that there could be a greater participation rate so the cost could go down. She added this would not be mandatory but would be a positive awareness campaign. Councilmember Powell also expressed her congratulations to Mr. Howard on a well presented program and wished him continued luck at BYU.

Mayor Acerson called for any public comment at this time. Several residents in attendance addressed the Council as follows:

Annette Kohler: Ms. Kohler stated she is an environmental engineer and she commented that the landfill may cost more in the future because mandatory requirements for landfills are becoming very strict. She stated that she feels it is time for Lindon to change their recycling requirements.

Doug McKay: Mr. McKay commented that he has a trash and recycle can and his recycle can is overfilled every two weeks and it is his wish they would come and dump the can every week rather than every two weeks.

Leann Whetten: Ms. Whitten suggested reducing the cost of a recycle can and increase the cost of the black can, or make the recycle can almost free and increase price of a second black can.

Bill Johansson: Mr. Johansson commented that everyone cannot afford the recycle can and he believes he shouldn't have to pay for a can but he still does recycle at other places without the associated costs.

Todd Malad: Mr. Malad inquired if there has been any consideration for recycling of yard waste, as there is a lot of volume of green waste and there is a way to sell it; he noted American Fork City takes green waste.

Chris Wilson: Mr. Wilson commented that he does not think a recycling can is any cheaper than the black can because it is only picked up half as much and it costs half the price.

2 **David Shaw:** Mr. Shaw suggested the city consider looking at private companies to pick
up the recycling that would provide the same service.

4 Mayor Acerson thanked Mr. Howard for the presentation and the valuable
information and for the public comments and input. Mr. Cowie stated this item will
6 continue to be looked into with public hearings to be held in August or September.

8 **3. Approval of Minutes** – The minutes of the Joint Meeting of the City Council and
Planning Commission of May 13, 2014 and the Regular Meeting of the City Council
10 of June 3, 2014 were reviewed.

12 COUNCILMEMBER POWELL MOVED TO APPROVE THE MINUTES OF
THE MEETINGS OF MAY 13, 2014 AND JUNE 3, 2014 AS AMENDED.

14 COUNCILMEMBER LUNDBERG SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

16 COUNCILMEMBER POWELL AYE

COUNCILMEMBER BEAN AYE

18 COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

20 COUNCILMEMBER LUNDBERG AYE

THE MOTION CARRIED UNANIMOUSLY.

22 **4. Consent Agenda** – No items.

24 **5. Open Session for Public Comment** – Mayor Acerson called for any public comment
26 not listed as an agenda item. Roy Shepherd, Lindon resident, addressed the Council
at this time. Mr. Shepherd inquired if it is the city's responsibility to maintain the
28 weeds on the Murdock Canal Trail. He commented that he recalled that it was agreed
that the trail would be for equestrian use and maintained and so far the paved portion
30 has been cleared of weeds but the rest has not. He inquired what is going to be done
to keep the weed problem down. Adam Cowie, City Administrator commented that
32 the intent of the Murdock Canal Trail was not to be clearing any path for equestrian
use (non-paved). The canal company that operates and maintains the canal was
34 required to reseed with native vegetation to keep erosion from happening. If there are
fire hazard issues the City can check with the County to have them cut down but
36 beyond that the City does not have any significant requirements to do the
maintenance. Mayor Acerson commented that this could be a discussion item with
38 Mountainland Association of Governments (MAG) for possible solutions and options.

Mayor Acerson called for any further public comments or questions in the open
40 session. Hearing none he moved on to the next agenda item.

42 **CURRENT BUSINESS**

44 **6. Public Hearing**– *UTOPIA/Macquarie Public-Private Partnership*. The City Council
will hear public comment on the proposed UTOPIA/Macquarie Capital public-private
46 partnership that will complete the installation of the fiber optic infrastructure network

2 to every address in the City. This is the fourth public meeting that the Lindon City
Council has held to discuss and receive input on the proposal. After receiving public
4 comment the Council will take action on whether or not Lindon City will participate
in the second stage of the business development plan (Milestone 2 of the Macquarie
6 proposal).

8 COUNCILMEMBER HOYT MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER POWELL SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

10
12 Adam Cowie, City Administrator, gave a brief summary and historical overview
of UTOPIA. Mr. Cowie explained that in the early 2000's there was a demand for high
14 speed broadband services and the desire to increase those services and level the
competitiveness in different organizations and lowering costs. A number of cities
16 gathered in 2002 and performed a feasibility study that determined broadband is
considered critical infrastructure to service economic development and business needs
and also the growing residential demand. In 2010 the 11 member cities formed UTOPIA
18 and an interlocal agreement bound these cities together to construct a fiber-optic network
that would be provided with the goal to get to every address in all member cities. In 2004
20 the first bonding for the fiber installations began and in 2010 UIA (a new entity) formed
to continue growth of the network and build out the best areas to get the highest return on
22 the investment. He stated that one of the founding principles of UTOPIA was to maintain
an open network that would allow multiple competitors to use the fiber to provide
24 services to a resident or business, with the idea was that anyone could come on and pay
the transport fees and there would be an increase of competition and lower costs to the
26 consumer. Mr. Cowie stated that several ISP (Internet Service Providers) have been to the
public hearings and meetings and there are potential options.

28 Mr. Cowie noted that Lindon City is essentially a co-signing to the original bonds
and loans. Due to the nature of the original UTOPIA bonds and lacking the revenues to
30 cover the expenses the member cities have had to pay their percentage of those bonds.
He noted that all of the member cities have struggled financially to make these payments
32 and there have been evaluations of whether to sell the network or let it go dark or put it
on maintenance mode (no growth) or continue bonding for wireless overlay and wire
34 deployment or a public private partnership; there have been a couple of offers recently.
He went on to say the probable options, most likely as far as the majority of the member
36 cities, is to continue bonding, however there is limited political will to make that happen.
The build-out of the network could certainly be done cheaper if the cities were able to do
38 it on their own, but the public private partnership is something worth exploring. Last year
Macquarie Capital approached UTOPIA and through a number of different contacts we
40 have ended up with a proposal where they are looking at providing the following options:

- 42 1. Take over operationals
2. End of operating deficit
- 44 3. Fiber connections installed to every address in every member city
4. Basic level of internet service provided
- 46 5. Monthly utility fee of \$18-\$20

Mr. Cowie noted there have been a number of Lindon residents that have signed up for the service and paid a fee upfront or paying through a lease program and paying \$20 or \$30 per month for a 20 year time frame. Those deals would be replaced with the utility fee for those who have paid the cash upfront where they would have a credit on the utility bill for the value of what they have paid. There is potential here then and the revenue percentages have yet to be determined and finalized. There is also a potential of revenue from upselling of services for the basic level of service and Lindon would receive some revenue sharing and could use it to pay down the current debt. He noted this is a 30 year proposal and at the end of the 30 years Macquarie would return the network to the cities in an upgraded state.

Mr. Cowie further explained that this is the fourth public meeting that Lindon City Council has held to discuss the UTOPIA/Macquarie public-private partnership opportunity provided in Macquarie's Milestone 1 report. The proposal will enable full completion of the fiber optic network to every address in the City with Macquarie covering the cost of installation and operation of the network in exchange for an \$18-\$20 monthly utility fee collected by the City from each residence and business over the next 30 years. The utility fee will increase annually according to a set index. Those provided with the connection will receive a basic level of internet service at no additional charge (3mbps up/down with 20GB cap per month). Existing customers who have paid for a UTOPIA connection up front will receive a 'credit' on their utility account in the amount they've paid for the connection. Others who have signed up for fiber service through a \$20 or \$30 monthly payment plan will have the payments replaced with the new utility fee. Those paying \$30/month would see a reduction in monthly cost. Macquarie has required that the 11 UTOPIA member cities respond by June 27, 2014 on whether or not each city will be proceeding to Milestone 2. He noted that Macquarie is seeking reimbursement of costs should Lindon move forward with Milestone 2 and then at a later date decides not to continue with the proposal. The approximate financial impact for Lindon City to participate in the payback requests (if Lindon backs out of the proposal) is as follows:

Milestone 1: ~\$16,080

Milestone 2: ~\$30,150

Milestone 3: ~\$59,965

Milestone 4: ~\$72,527

Pros of current proposal:

- Experienced financial lender (Macquarie) with proven ability to complete projects of this magnitude
- Completes the fiber optic network to every address in the city w/in 3-year period
- Basic-level internet service provided to each address w/option to purchase additional speeds
- Transfers many risks to private party
 - Construction / installation
 - Network operations & management
 - Performance guarantees
- Debt obligation is on Macquarie (does not impact debt limits for cities)
- Ends operational shortfalls being paid by city

- Opportunity for increased revenues to help pay down existing debts owed by city
- Maintains ‘open network’ allowing multiple service providers on network
- Network re-fresh costs covered by partnership
 - Network updated before returning to city control
- City maintains ultimate control and ownership of assets
- Increased economic development opportunities due to fiber availability
- All member cities that participate will achieve ‘equity’ through completed fiber development

Cons of current proposal:

- Financing is more expensive than if member cities completed fiber project on their own
 - Over the 30 yr partnership this proposal equates to ~\$30.3 Million total cost to the current Lindon residents and businesses
- Mandatory monthly utility fee
 - Imposed whether properties use the service or not
 - Fee will annually increase at indexed rate (~2.5% / yr)
 - Fee is collected with utility bills and failure to pay will result in utilities being shut off
 - Fee must be paid to Macquarie regardless of city’s ability to collect from customers
- 30-year commitment
 - Other unknown technological advances may arise
 - Take rates and network stability over 30-years is very difficult to predict
- Heavy reliance on ISP’s to market network and provide basic-level services and installation, primarily at their own expense
- Limited Video/TV offerings from ISP’s currently on network
- Basic-level internet service may not be perceived as sufficient for the cost of utility fee
- Increased potential for litigation against UTOPIA, UIA, and/or Lindon City
- Appearance of limited incentive for Macquarie to ensure network sales and revenues are successful
- Increased potential for reactionary political and/or legislative actions that may be deemed unbeneficial to cities
- Some uncertainty in the proposal will exist until final stages in the plan have occurred

Cons of non-participation in Macquarie proposal (assuming most other cities move forward):

- Continued and/or increased operations assessments may be placed on city
- Potential for stagnated growth of network in Lindon
- Limited and/or costly options for new user hook-ups where service already exists
- Potential costs imposed on city to refresh and/or maintain portions of network
- Potential for increased instability of network within Lindon City

- 2 • Potential for other member cities seeking financial ‘equity’ for prior
construction costs
- 4 • Increased potential for litigation against Lindon City
- Limited economic development opportunities due to lack of fiber

6 Mr. Cowie the explained that on May 23rd the City emailed a short survey to
Lindon residents (per city council direction) and utility customers whose email addresses
8 were available to the City. He noted the City also posted the survey on the City’s
Facebook page and City website; the Daily Herald ran an article promoting the survey
10 several days after it had been emailed to residents. He added that hard copies have also
been collected at the Lindon Senior Center with the responses being entered into the on-
12 line survey system. Mr. Cowie mentioned that the self-reporting survey cannot be relied
upon to be statistically accurate. As of June 13, 2014 the City has received 679 responses
14 to the survey with most of the respondents being Lindon residents (93%). Most of the
respondents reported a moderate to high level of satisfaction with internet offerings in
16 Lindon, and express a high demand for broadband services. Approximately 38% feel that
fiber/broadband infrastructure should be characterized as a critical utility. Nearly 70%
18 indicate they do not want a utility fee imposed upon them. Mr. Cowie added that the
summary of the graphical results of the survey have been provided and the results are on
20 the staff report (on the city website). He noted the survey is open through tonight.

22 Mayor Acerson called for public comment at this time. He asked that the
comments be kept at three minutes or less. Several residents in attendance addressed the
Council at this time as follows:

24 **Kathy Oldroyd:** Ms. Oldroyd inquired what brought about this idea in the first place
26 because obviously UTOPIA did not provide its goals and why are we even considering
this now. Mayor Acerson commented it is the build out expense and the low take rate of
28 the other cities, so for financial reasons. She also asked if Lindon were to opt out and not
go with the other member cities what would happen to the fiber optics in place. Mayor
30 Acerson stated that we don’t know yet as there are many variables. Councilmember Bean
addressed the question stating we are currently receiving services through UTOPIA and
32 this proposal is a separate transaction. Regardless of the decision tonight the service will
continue but we don’t know what will happen in the future. If you have signed up right
34 now your service will continue; we have an agreement with UTOPIA and we are a
member city.

36 **Jim Easton:** Mr. Easton commented that the Utah Taxpayers Association is paying a lot
38 of money for flyers being sent to residents voicing their opposition in this matter. He
questioned if there is some requirement in Utah law that states if the fee is imposed on
40 everyone will it be a tax and should there be a public vote or can the member cities
Council’s decide. Lindon City Attorney, Brian Haws, stated the Utility fee can be put in
42 place by the City Council with the possibility that it would be subject to referendum.

44 **Jim Slade:** Mr. Slade asked for clarification of the definition of a utility. David Shaw
referenced Utah Code section 10-8-14 (2001) that defines public utilities as water, sewer,
46 secondary water, storm drains and *telecommunication* lines.

2 **Resident in attendance:** He understands that this is not a big change as we already have
4 it and demand has increased. He inquired if there is an alternative to the utility fee and
6 putting it on everyone? He added that losing UTOPIA would not be good as the service
8 is superb and just the fact of having the connection is great; you can also use any options
of providers. Mayor Acerson commented that little build out in other cities has been
subsidized by other cities. He added that the reason is because of financial inability to
build out ubiquitously and financially so all member cities can have fiber.

10 **Dennis Wilson:** Mr. Wilson commented that he believes when we go out and start
12 imposing or forcing people to pay for something they can't afford in the first place is not
14 right. He also stated that forcing those who don't have the finances for the internet and
imposing fees on those who can't afford it is wrong and there must be other options. Mr.
Wilson compared the utility fee proposal to being asked to bail out a neighbor for the
debt of building an extravagant home. Mr. Wilson also said he doesn't have internet
service, and many residents are not in a financial position to purchase it.

16 **Dave Shaw:** Mr. Shaw, a Lindon resident who has also served as general counsel for
18 UTOPIA, said fiber connectivity is one of the reasons he lives in his current home, and
20 his family would more than likely move if the network went dark. Mr. Shaw said he
occasionally uses the city's police and fire services, and his children occasionally take
22 advantage of the city's swimming pool and parks. But he said that he uses the city's water,
sewer, trash and fiber-optic Internet services on a daily basis. Mr. Shaw stated there has
always been a capital problem on this project and what Macquarie is proposing is they
24 will bring the capital to finish the network.

26 **Jeff Wilson:** Mr. Wilson stated that UTOPIA is not the only alternative. He added that
28 this is definitely not the proper role of government and we have no right competing with
the private sector. Mr. Wilson commented that there comes a time to say this is just plain
wrong and it's time to walk away and the city shouldn't be taking more risk.

30 **Darla Carter:** Ms. Carter stated that they paid the \$2,700 fee outright and what would
32 happen with that fee. Mayor Acerson stated if this moves forward and the utility fee is
imposed, those who paid the fee outright would have a credit in that amount on their
34 utility bill.

36 **Bruce Armstrong:** Mr. Armstrong commented that the reality is we are already
38 spending over \$400,000 per year on UTOPIA. He noted UTOPIA is trying to provide
ultra-high band width connection and a ubiquitous connection which is a lot cheaper. He
stated that 100 GB is not needed in a home as it is overkill. Mr. Armstrong argued that
40 residents are already under an obligation to pay for the network in the form of city sales
tax revenue that is currently being used to pay down initial UTOPIA debt and monthly
42 operating shortfalls. He stated the city is subsidizing every connection now and whether it
comes out of sales tax or a utility fee, it is money that Lindon residents are paying. Mr.
44 Armstrong commented that UTOPIA knows how much it will cost to build out the
network so what is there return on investment. Mayor Acerson stated an option is that
46 the cities could come together and bond. Mr. Shaw commented that if the cities were to

bond today the interest clock would start ticking and when Macquarie borrows the money they don't get paid until they perform. Mr. Shaw commented that going forward they have a significant performance risk to build out the entire network and run it at certain levels or they don't get paid and it is their loss not the cities.

Bill Johansson: Mr. Johansson stated the survey states that 70% of residents are against charging a fee or having to pay whether we want this or not. He does not want to be charged for something he doesn't want and that is not what is done in a free country.

Linda Nelson: Ms. Nelson stated that she is opposed to expanding to the second milestone. She commented that taking this on for another 30 years at \$20 per household is not a good way to go. There must be alternatives where we would not have to commit again to a huge amount of money. She suggested to cut the losses and get out as quickly as we can. She also suggested if Macquarie takes over they should hire technicians, and can the city do the same thing, to service the existing UTOPIA residents. She also suggested hiring consultants or a private entity to do the marketing.

Dirk: He asked for clarification if we are paying \$400,000 a year to modify the contract. Councilmember Bean stated there will be no modification to the current obligation we have to "back stop" or guarantee those bond payments as a member city, which will stay; what we are getting is the service on their network. Dirk commented that it seems we are paying a certain amount of money for something we already have. Councilmember Bean stated the issue is we are a member of an interlocal agency and the additional proposed amount is to build out the rest of the network in those 11 member cities. Dirk commented that we should opt out and let them figure this out and he guarantees they would let us back in.

Councilmember Lundberg pointed out there is an added expense in addition to the initial round of funding on the UTOPIA bonds and the second round of UIA. And because this was poorly executed with a lot of problems over the years, and somewhat poorly managed, the current management has a shortfall every month; it is not a break even operation. She added that there is not a great demand for UTOPIA across the 11 member cities because overall the take rate is not fantastic. They do not bring in enough revenue to cover the expenses so we make additional monthly payments just to cover the operational expenses. Councilmember Lundberg pointed out that Macquarie's proposal doesn't eliminate our past debt, but they will take over the operations and the operation payments will go away. Councilmember Bean commented that under the bonds we are a guarantor of those bonds and are not required to pay the operational expenses.

Ed Ralston: Mr. Ralston stated that he has no opinion whether to move forward with the proposal or not. He stated by operating the monthly deficit and by being underfunded for a number of years, you will still have 30 to 40 million to be spent within the 12 to 18 months or the network may implode as the network has not been maintained and this will occur no matter what happens. Mr. Ralston commented that you can't look at this network as a shared ownership; this is something to consider. He noted he wishes the city the best.

2 **Resident in attendance:** He commented on how to make this viable is to choose to pay
the money and get nothing for it or pay and get a viable service. He wants to find a way
4 to make this work so we don't have fiber in the ground that is unusable. He added that
infrastructure is a utility that is becoming more and more critical (internet). It is short
6 sighted of those who don't believe this as we need the fiber. He noted one argument is
that the cities are not used to marketing anything and they don't know how to market this.
8 He noted this is the process to the second step that will provide the answers needed to
preserve what we have and will provide alternatives to make a good decision.

10
11 **Leann Whetten:** Ms. Whetten commented that she is in support of staying in UTOPIA.
12 She realizes there have been a lot of poor decisions and agrees it was poorly managed but
with hindsight it gives a new perspective; we do have obligations and she does not see
14 any way to go back. She would suggest moving forward to the next step and do our due
diligence and move forward. She also suggested hiring someone to manage things so they
16 can be in a position to advertise and do the marketing.

18 **Dennis Moss.** Mr. Moss commented that he has UTOPIA and it is great and less
expensive and he is very happy with it. However, he realizes that they are wanting more
20 money and that bothers him. He added that we need to look at other options and advertise
and see what the benefits are and increase the take rate and push forward without having
22 to refinance it.

24 **Doug Mackay:** Mr. Mackay commented that there are many who want UTOPIA but
can't get it. He noted he works for a high tech company and he knows there are a lot of
26 people in Orem that can't get the UTOPIA service who really want it. He does not want
UTOPIA to go dark and he doesn't want his kids to not be able to have the benefit of it.

28
29 **Mark Haney:** Mr. Haney stated that he feels this has been a total mess from the time it
30 started. He noted that three cities have opted out of UIA and there will be cities who opt
out of this proposal. The \$20 fee is a minimum and it will more than likely go higher than
32 that. Mr. Haney stated that he is aware that a lot of people say they love UTOPIA
because it is cheap, but he does not want to subsidize it but he also does not want to see it
34 go dark as we have commitments. He commented that we are digging the hole even
deeper and there must be a better way to get out of it. He concluded that he feels this has
36 been mismanaged, money has been wasted, and he feels we are doubling down and this is
not a viable solution.

38
39 **Gordon Van Wagoner:** Mr. Van Wagoner commented that there are so many unknowns
40 and he feels the cities are being held hostage by this group. He feels they should provide
answers without having to pay for the process of moving through the four phase process
42 to help the cities make their decisions. He also does not agree with imposing a utility fee.

44 **Dean Lundberg:** Mr. Lundberg mentioned that he works for an Internet Service Provider
(ISP) and pointed out a few facts. He commented with internet usage, across the board,
46 the average person uses about 30 gigs a month and on a typical user home you would

have hard time using more than about 10 megabits per second consistently. He would challenge the heaviest user to use a gigabit of connectivity. Mr. Lundberg stated it is really about building a network for 30 years from now, but right now it is not necessary. Paying for a system for 30 years is really overkill for what is needed today and forcing everyone to pay it. He added that he feels the system, on principle, is the wrong move. He does not believe the city is needed to build this infrastructure as there are competing services that can be provided. Mr. Lundberg stated that he believes, being an ISP, if the Macquarie deal does go through, his company would not invest in Lindon, and build additional infrastructure, because of the economics of what will happen because of the utility fee it makes a competing service less competitive. Councilmember Lundberg commented that whatever technology many come in the future may not be built here because it is not economical; in some cases it may actually reduce the future of technology we don't even understand today. He added that free market will not satisfy future demand.

Rich Arnoff: Mr. Arnoff commented that after listening to all of the comments tonight he knows that this is not a simple issue and these decision will ultimately affect our kids and grandkids. Mr. Arnoff stated that he has UTOPIA and it is very fast, and the comment that we don't need 100 Megs is ridiculous. He noted that every time you are downloading it takes bandwidth and copper does not deliver bandwidth; it is not acceptable to be relying on copper. Mr. Arnoff stated that you have to be visionary and fiber is a visionary concept, and yes, it has been mismanaged, but it's all about the marketing. Mr. Arnoff stated that he is all for free enterprise and if this goes dark and someone picks it up you are back to an entity that's function is to pay the shareholders; a Google Fiber or Macquarie deal is a better idea. He realizes this is a complex issue, but on behalf of his neighbors they would like to get off of copper as soon as possible.

Scott Pettis. Mr. Pettis pointed out that a high percentage of households have the internet. He added that it seems that the fee is what keeps the connectivity lower and if there was a partner to rally behind the city why would you not hook up because you have a better price and a better value.

Marlin Sharpe: Mr. Sharpe stated that he was one of the first to sign up for UTOPIA. He also noted that he is amazed why this has not been marketed the way it should be; which is needed or it may not work. He added that any solution we come up with will absolutely need to have the marketing.

Throughout the discussion many residents in attendance suggested the member cities were wrong in their original creation of UTOPIA and questioned whether the network should be accepted as a loss and abandoned. The public comment also kept repeating the issue of the utility fee structure and imposing a mandatory fee. There was also discussion of the costs to Lindon for UTOPIA with Mayor Acerson explaining that the theory is to upsell with a percentage of the funds coming back to the city to offset the existing debt. Mr. Cowie stated this is yet to be determined through the next step of the proposal. Mayor Acerson thanked everyone for their input and stated that the Council will take their comments under consideration in deliberating their decision.

2 Mayor Acerson called for any further public comments or questions. Hearing none
he called for a motion to close the public hearing.

4
6 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

8
10 Mayor Acerson called for comments or thoughts from the Councilmembers at this time.

12 **Councilmember Lundberg:**

14 Councilmember Lundberg expressed her opinion that the general feeling tonight
is that there is a different tenor in each meeting with some residents for and some against
this proposal. Is UTOPIA an asset that we value and want to see function and become a
16 viable financial operation; on behalf of the Council she would say yes. She commented
that we don't want to take the lumps and just walk away as we have a good asset here. Is
18 Macquarie the right partner to get us out of the bear trap we are in and is Macquarie the
only option; she is not convinced it is. This Council feels the survey done was critical as
20 past Councils made decisions with the UIA and UTOPIA bonding without the same
awareness going out into the community. This Council wanted to have greater feedback
22 from the citizens, as this is too significant an obligation to take on because it is more than
doubling our current obligations. It is not a matter of what six people on the Council
24 wants, it is a matter of what the majority of Lindon City residents want. Councilmember
Lundberg stated she feels this comes down to one core principle and that is, do the
26 majority of the Lindon residents want to be taxed to build fiber in the ground deployment
(Macquarie's business model) and have the city manage their internet as a utility.
28 Councilmember Lundberg said the key issue in evaluating the Macquarie deal is the
public's willingness to take on a universal utility fee, and the results of the city's survey
30 show broad opposition to that aspect of the deal. She noted that we owe it to our residents
to represent them regardless of personal opinion.

32 **Councilmember Bean:**

34 Councilmember Bean stated that he agrees with Councilmember Lundberg's comment
36 that this is an important asset in Lindon, and to keep the asset and use it the way it should
be used. He added that it is likely that the service will continue and this won't go dark
38 until all other options are vetted. He noted that three other member cities have already
approved moving forward to milestone two but they have not held any public hearings to
40 involve their citizens which may become an issue. Councilmember Bean also expressed
his appreciation for Macquarie's efforts and UTOPIA's efforts along with the continued
42 efforts of the Lindon City Administrator.

44 *Councilmember Bean then gave his written statement for the record as follows:*

I find no persuasive reason to move forward. UTOPIA has had four rounds of financing as follows:

- Original UTOPIA bond guarantees
- Additional UTOPIA bond guarantees
- UIA bond guarantees
- Now a fourth potential service agreement obligation (same substance; different form)

There are many reasons not to move forward (and to vote against moving forward) as follows:

1. The questionable role of government in the provision of fiber as a utility or critical or core infrastructure
2. The imposition of a utility fee upon the citizens of Lindon City without their mandate
3. The obligating of Lindon City for multi millions of dollars under a 30-year service agreement
4. The questionable lawfulness of the utility fee under the federal and state telecom acts and other statutes:
 - Anti-trust (Existing and entrenched competition)
 - Barriers to entry
 - Cross-subsidization
 - Fee vs. tax vs. special assessment
 - The issue of lawfulness has been rarely discussed, but is the elephant in the room
 - Potential legislative roadblocks which can't be predicted
5. The failure of UTOPIA over its 12 year life to seek solutions to moving forward in other ways:
 - i.e., exploring allowing a city to sever its relationship with the interlocal agency but retain its obligations severally – unwind the agreement without unwinding the financing; or divide the assets without upsetting the structure – basically, allowing the cities to run the network or contract to run it.
6. The continued support or advancement of an interlocal model to achieve something that in no way, that he can ascertain, required that kind of structure, but for the financing – the bonding. This model never, in any compelling way, lent itself to the construction of a fiber optic network in multiple cities. When the financing drives the decision, the decision should be carefully examined – and in most cases (in my opinion) the project should be rejected.

Finally, I reiterate that my decision has nothing to do with Lindon's higher build-out or with its higher subscription or take rates over other UTOPIA cities. The decision is solely based on the merits or lack thereof. If Lindon were 100% built out or 1% built out,

my decision would be the same. This a great asset but I am unwilling as a representative of the City and as a citizen of Lindon, to obligate the city or citizens.

Councilmember Powell:

Councilmember Powell expressed to the residents and citizens of Lindon that she has read all of the survey comments. She expressed her appreciation for all of the comments heard here tonight, pros and cons. She noted there have been many collective hours by the Council spent on this topic and the decision here tonight is whether to move forward with this proposal from Macquarie. She also echoed the sentiments from the other Councilmembers thus far.

Councilmember Powell then gave her written statement regarding the UTOPIA/Macquarie Public-Private Partnership for the record as follows:

UTOPIA remains a major conundrum for the 11 member cities. As the news came late last year that a potential corporate entity was looking to partner with UTOPIA, I as a Councilmember was intrigued by what this could do for our City. I knew that it was in our City's best interest to investigate what Macquarie Capital was offering.

Over the course of these last six months I've spent countless hours researching, attending meetings and in contemplation regarding this matter. Though in the beginning I stated that "a utility fee of some sort was not a big problem to me" I find that it is THE BIG PROBLEM. I never dreamed at the outset of these discussions that the "barely mentioned" utility fee would amount to \$18-20!! In my mind \$5.00 was the maximum. This "FEE" with a 30 year commitment is something that makes this a deal to walk away from.

In other meetings I have addressed my concerns about keeping our commitment to those who use the UTOPIA system currently and in the future. I believe that there are other options, though difficult, that will keep the system alive. I have a strong aversion to the voices who say that "if we don't take this deal then UTOPIA goes dark". I understand the tangled history of this entity, but that does not mean we stop trying. But the Macquarie DEAL is NOT the answer to THIS PROBLEM!

I CAN NOT support going forward into Milestone 2, putting \$30,000 plus of Lindon's resourced to find out more....I know enough right now. I propose that we DO NOT PROCEED to Milestone 2 with Macquarie.

Councilmember Hoyt:

Councilmember Hoyt echoed the sentiments of the other Councilmembers tonight. He noted he had concerns that some of the public comments tonight would be heated and he expressed his gratitude to the residents for being educated and doing their research on this issue. Councilmember Hoyt noted that he was elected to be the voice of the people, which can be difficult at times. He added that it has been refreshing to hear so many

chime in and voice their opinions tonight on this issue. He expressed that he feels this is a clear answer and to follow what the survey says, which is telling him the citizens are saying “no” to a utility fee. Councilmember Hoyt stated his philosophy is that he will not tax without a vote and he stands by that commitment. Councilmember Hoyt made several other points regarding the 30 year agreement and free market/private market vs. government, legal issues involved etc. Councilmember Hoyt concluded that his vote will be no to move forward to milestone two. He would re-iterate to rally around UTOPIA as a city and sign up as we have this debt and he would encourage to do what we can.

Councilmember Broderick:

Councilmember Broderick expressed that he values all of the citizen input and concerns heard here tonight. He confessed that he was not in attendance when this decision was first made; as a citizen he failed by not coming and giving input, but he didn’t know about it then. Councilmember Broderick thanked the citizens for coming and for making their voices heard. He also echoed the sentiments of the other Councilmember comments heard here tonight. He stated that there are a lot of good reasons to pursue this and a lot of reasons not to pursue this, but the thing he cannot get past is that this must be market driven and it must be a choice. He stated that he cannot support moving forward and will vote no. He also commented that he hopes UTOPIA will succeed.

Mayor Acerson:

Mayor Acerson commented that overall the tone here tonight is that this choice is paramount in anything that we do. As discussed, this is a good thing and hopefully it will continue to be a good thing, and we, as citizens, can do things to try and come up with solutions to move this forward and not let it go dark. Ultimately we need to respect the ability of everyone to make a choice. Mayor Acerson concluded that he doesn’t think Macquarie’s proposal will get us to where we want to go.

Mayor Acerson called for any further comments or questions from the Council. Hearing none he called for a motion.

COUNCILMEMBER POWELL MOVED TO NOT PROCEED TO MILESTONE TWO IN THE UTOPIA/MACQUARIE CAPITAL PUBLIC-PRIVATE PARTNERSHIP PROPOSAL. COUNCILMEMBER BEAN SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

THE MOTION CARRIED UNANIMOUSLY.

At this time Mayor Acerson called for a 5 minute recess.

7. **Public Hearing** – *Final Budget for Fiscal Year 2014-2015 (Resolution 2014-7-R).*

Amend 2013-2014 Budget. Kristen Colson, Lindon City Finance Director, will present the proposed Lindon City Budget documents for fiscal year beginning July 1, 2014. The City Council will hear public comment on the final city budget for fiscal year 2014-2015, including the allocation of revenue from the water, sewer, storm water and other enterprise funds to the general fund. The Tentative Budget was presented and approved on May 6, 2014. The City Council also held a public work session on the budget on May 20, 2014 and a public hearing on June 3, 2014 where budget issues were discussed in detail. The City Council will review the final budget for fiscal year 2014-15, review the amended budget for fiscal year 2013-2014, review the agreement for services between the RDA and the City, and review the city-wide fee schedule and compensation programs.

COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER BEAN SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

Mr. Cowie led the discussion by explaining the Council will be presented with the budget materials tonight and asked to vote on specific budgetary issues that have been reviewed in past meetings. He noted the documents presented are the balanced budget proposal for the 2014-15 fiscal year. The budget includes proposed increases in miscellaneous fees to help cover costs in specific areas, and minor increases in utility rates that will be implemented over a multi-year period in order to re-build depleted fund balances and cover costs of future utility replacements. No increase in property taxes or other taxes is proposed. Mr. Cowie stated that Kristen Colson, Lindon City Finance Director, is in attendance to present the Final Lindon City Budget documents for fiscal year beginning July 1, 2014, which includes the recommended changes to the city-wide fee schedule and the proposed Lindon City Redevelopment Agency budget. Mr. Cowie noted the City Council will also hear public comment on the proposed City and RDA budget, including the allocation of revenue from the water, sewer, storm water, and other enterprise funds to the general fund.

He noted the following items will be presented for the Council's review and consideration:

- Finance Director's Budget Message
- Major Budget Issues
- Elected & Appointed Officials and Employee Compensation Programs
- Complete 2014-15 Fiscal Year Budget
- Complete 2014-15 Fiscal Year Fee Schedule
- Resolutions / agreements for services between the City and the RDA

Ms. Colson addressed the Council at this time. Ms. Colson stated the budget must be adopted by June 21st. She noted that in the past the budget has been presented with the actual numbers, the current year and future year budget. She then presented a 10 year graph (budget) followed by some general discussion. Mr. Cowie noted they wanted to show a broader picture to the Council of past budgets. Councilmember Broderick asked what shortfall from the general fund has to come from other funds. Ms. Colson stated

they anticipate using \$700,000 from the enterprise fund but have yet to use it if needed and it was not used last year. Mr. Cowie stated that essentially they are keeping that money and carrying it over year to year to make the budget balance and have been fortunate to not have to use it. Mr. Cowie added that the hope is to not use it because of under expenditure. Councilmember Hoyt asked for clarification on the notice sent out in the newsletter. Mr. Cowie explained the enterprise fund as a separate business fund that the city runs and operates on behalf of the fund like the RDA funds and noted that it is a statutory requirement to notice the customers.

Ms. Colson then referenced the following major budget items and noted they will be the budget issues for 2014-15.

Budget Issue #1

Issue: Should Lindon City provide employees with a 1.4% Cost Of Living Allowance (COLA) increase and provide for a merit step increase in January?

Ms. Colson began by giving a summary of Budget Issue #1. She noted that this is a budget issue that is done annually (except for three years due to the recession) and noted the increase to the budget is shown by fund. She added that the Consumer Price Index (CPI) had an average annual increase of 1.4% from March 2013 to February 2014 according to US Department of Labor. Ms. Colson stated the performance evaluations are performed annually on January 1st at which time merit increases will be made available to those who meet the criteria and will be looked at in December. She went on to say that historically, COLA and merit increases have provided somewhat consistent buying power for the employees and have kept salaries competitive and employee morale high.

Ms. Colson then referenced the Differential Fiscal Impact as follows:

	COLA only	Merit Only	COLA & Merit
General Fund	\$44,782	\$44,330	\$88,719
Water Fund	\$2,766	\$2,697	\$5,501
Sewer Fund	\$1,632	\$1,592	\$3,246
Storm Water Fund	\$2,182	\$2,128	\$4,340
Recreation Fund	\$2,358	\$2,299	\$4,689
Citywide Totals	\$53,721	\$52,046	\$106,495

Ms. Colson noted that both the COLA and Merit increases are reflected in the Final Budget.

Mr. Cowie mentioned that Councilmember Lundberg had sent out an email about some issues (merit) to address but are not part of this current budget proposal. He noted that he would like to have discussion on these issues at a future date when a study has been done; it is his hope to have the study done and to bring something back to the Council within 6 months. Councilmember Lundberg made a comment if this is something that would be hard to implement by January 1st or will it be put off until the next budget year. Mr. Cowie stated that he will do his best, but there is a limited amount

of staffing including the implementation; he stated that that it is a high priority.

Councilmember Lundberg asked if she is hearing to leave the merit issue “as is” for this budget. Mr. Cowie confirmed that a study will be done and he will bring it to the Council for the next budget.

Councilmember Lundberg asked the Council if they are comfortable with both the COLA and merit increase. Councilmember Powell commented that she is totally comfortable having read all of the evaluations. Councilmember Powell added that these evaluations are very detailed and very few evaluations are in the “c” range and we have a lot of top notch evaluations and they are very candid. Councilmember Bean stated that he is open to looking at options but feels it should be flexible, but he is comfortable with this for the current fiscal year. Councilmember Hoyt commented that it is his hope to avoid raising taxes so he would rather cut spending. He agrees to look into these issues before it is “too little too late.” He added he would rather see benefits cut rather than salaries.

Mr. Cowie commented on the timeliness of these concerns being brought up. He noted they need to be brought up earlier in order to have the time needed to perform the studies and have more discussion. Councilmember Lundberg feels the 1.4% could be brought down to 1% for budget cuts and to be cautious. Councilmember Broderick commented that he asked for numbers that did not come and he just wanted the big picture. He stated he was just asking for suggestions from the department heads as to what they could possibly cut. Mr. Cowie stated that the proposed budget was presented and the tentative budget was approved. Councilmember Lundberg asked if this is an all or nothing vote or can they do it by line item. Mr. Cowie confirmed they can do it by line item. She commented that the employees deserve this but with the budget tight and feeling squeezed can we pare back here and there but still show the employees we have good faith. Mr. Cowie stated he will bring back an action item to the Council in December to vote on (merit).

Councilmember Bean commented that the CPI was talked about before. He noted if it is dropped it is somewhat of an arbitrary action unless there is more information and a basis on which to do that when we have agreed to do it this way; it would need rethinking. He appreciates the Council looking at the numbers and spending, but there have been multiple opportunities to look at this and it seems arbitrary to make changes tonight without a more thorough discussion and a basis on which to do it; but he is open to discussion. Councilmember Lundberg voiced that she does not feel that things don’t always have to be the way they have been in the past.

BUDGET ISSUE #1:

THE CITY COUNCIL VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

Budget Issue #2

Issue: Should Lindon City hire a full-time Water Technician, a part-time

Utilities Technician, and change the Community Center Program Coordinator from part time to full-time?

Ms. Colson began by giving a summary of Budget Issue #2. She noted the Public Works Director has requested that a full-time Water Technician be hired to assist in the water division. He has also requested a part-time Utilities Technician be hired to manage Blue Stake requests and assist with water meter reading and shut offs.

Ms. Colson also noted the Parks and Recreation Director has requested that the Community Center Program Coordinator be changed from part-time to full-time, which would allow more time to initiate and oversee classes and activities held at the Community Center. Ms. Colson stated that they are recommending that half of the cost of this position be funded by the PARC Tax and so the net increase to the recreation fund would only be \$7,785 for the 2014-2015 fiscal year (including salary and benefits).

Ms. Colson then referenced the Fiscal Impact. She noted that the amounts shown below reflect both salaries and benefits, without COLA and Merit increases for these positions. She added that the COLA and Merit increase costs for these positions are included with Budget Issue #1.

Water Technician

Water Fund	\$62,068
------------	----------

Utilities Technician

Water Fund	\$9,150
Sewer Fund	\$4,575
Storm Water Fund	<u>\$4,575</u>
Total	\$18,300

Program Coordinator

Recreation Fund	\$32,272
PARC Tax	<u>\$32,272</u>
Total	\$64,544

Ms. Colson noted that all of these positions are reflected in the Final Proposed Budget.

BUDGET ISSUE #2:

THE CITY COUNCIL VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

Budget Issue #3

Issue: Should Lindon City increase Water, Sewer and Storm Water utility rates?

Ms. Colson began by giving a summary of Budget Issue #3. She explained that the utility rates should not only cover current operational expenses, but also allow reserves to be established over time in order to fund repairing and/or replacing aging system components. Ms. Colson noted that the current utility rates do not meet this objective.

She noted that the City Engineer conducted a utility rate study to determine and recommend utility rate increases for water, sewer, and storm water utilities. The recommendation was to implement an annual increase over the next five years of 3% for water rates, 4% for sewer rates, and 13% for storm water rates. She noted that additional information can be found in the engineer's rate study report.

Ms. Colson then referenced the recommended rate changes listed below along with the 2013-2014 rates as follows:

Utility	2013-2014 Rates	Recommended 2014-2015 Rates
Water (1" meter)		
Below North Union Canal	\$15.70	\$16.17
Base	\$1.29 / kgal	\$1.33/kgal
Usage		
Above North Union Canal		
Base	\$16.91	\$17.51
Usage	\$1.34 / kgal	\$1.40/kgal
Upper Foothills		
Base	\$26.14	\$26.24
Usage	\$1.63 / kgal	\$1.63/kgal
Sewer		
Base	\$16.32	\$16.97
Usage	\$2.93 / kgal	\$3.05/kgal
Storm Water (per ESU)	\$4.84	\$5.47

(kgal = 1000 gallons; ESU = Equivalent Service Unit, i.e. a single family home)

Ms. Colson noted the monthly increase on an average resident's utility bill (below North Union Canal) would be:

Water	\$1.02
Sewer	\$1.74
Storm	\$0.63
add'l tax	<u>\$0.20</u>
Total	\$3.59

Differential Fiscal Impact:

Water Fund	\$33,775
Sewer Fund	\$54,355
Storm Water Fund	\$54,600

Ms. Colson noted these changes are reflected in the Final Budget and the Revised Fee Schedule.

BUDGET ISSUE #3:

THE CITY COUNCIL VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

Ms. Colson then reviewed the 2014-2015 fee schedule changes. She noted they have not changed from the last discussion:

Additions:

Land Use

Miscellaneous Application - \$150 plus Actual Engineering Cost

Recreation

Indoor Soccer \$35

Volleyball \$35

Other programs may be added with fees set under the direction of the Community Center Advisory Board.

Exceeding Rental Time - \$5 for every 5 minutes past the scheduled time

Changes:

Cancellation Fee (rentals & programs) - increase from \$5 to \$10

Land Use

Conditional Use Permit

Change from "Animals" to "Wild and Exotic Animals" (Price will remain at \$50)

Miscellaneous

Request for Information - increase from \$10/hr to \$20/hr to recoup cost of employee's time (First 15 minutes are free. Fee will be charged in quarter-hour increments.)

Police

Investigative Subpoena, Subpoena Ducus Tecum, Civil Lawsuit - make consistent with Request for Information - decrease from \$50/hr (1 hour minimum) to \$20/hr (First 15 minutes are free. Fee will be charged in quarter-hour increments.)

Photos

Per page \$5 - change to emailed \$5

Traffic Accident Report - change from \$7 (photos cost extra) to \$10 Emailed (with photos) or \$15 On CD (with photos)

Recreation

Basketball - increase from \$42 to \$45

Baseball - increase from \$32 to \$35

Spring Soccer - increase from \$32 to \$35

Community Center Rental Rates

<u>Area</u>	<u>Resident</u>	<u>Non-profit</u>
Classroom	\$20 25 /hr	\$10 15 /hr
Gymnasium	\$40 50 /hr	20 30 /hr
Kitchen	\$10 20 /hr	\$10 20 /hr
Cultural Art Auditorium	\$40 45 /hr	\$20 25 /hr

At this time Mr. Cowie stated, per Councilmember Broderick's request, he met with the Department Heads today to discuss potential cuts but still be able to provide a decent level of services. Mr. Cowie mentioned that he feels some of these cuts will have impacts on the community and he feels taking the majority of the cuts on the backs of the employees is wrong, and expressed that he feels the employees should not suffer the consequences of poor financial decisions of past City Councils. Mr. Cowie then presented a spreadsheet depicting the possible cuts followed by some lengthy discussion by the Council. The Council discussed the items by line item with several options and suggestions on the table. Following the general discussion it was agreed to make the following cuts:

- Reduce the reimbursement of library cards from 75% to 50%
- Cease funding for the Character Connection
- Look at the parade float and verify entrance fees and look at sponsorship
- Discontinue food at the City Council meetings

At this time Mayor Acerson called for any public questions or comments. Hearing none he called for a motion to close the public hearing.

COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED

Following some additional discussion, Mayor Acerson called for any further comments or questions from the Council. Hearing none he called for a motion.

COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2014-7-R APPROVING AND ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 2014-2015, AMENDING THE 2013-2014 FISCAL YEAR BUDGET, AND APPROVING SERVICES BETWEEN LINDON CITY AND THE REDEVELOPMENT AGENCY (RDA) AS DISCUSSED. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

THE MOTION CARRIED UNANIMOUSLY.

8. Adjourn the meeting of the Lindon City Council and convene the Lindon City Redevelopment Agency Meeting (RDA).

COUNCILMEMBER POWELL MOVED TO ADJOURN THE MEETING OF THE LINDON CITY COUNCIL AND CONVEENE THE MEETING OF THE LINDON CITY REDEVELOPMENT AGENCY AT 12:20 P.M. COUNCILMEMBER

LUNDBERG SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR.
THE MOTION CARRIED.

BOARDMEMBER POWELL MOVED TO ADJOURN THE MEETING OF
THE LINDON CITY REDEVELOPMENT AGENCY AND RECONVENE THE
MEETING OF THE LINDON CITY COUNCIL AT 12:25 P.M. BOARDMEMBER
HOYT SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE
MOTION CARRIED.

9. COUNCIL REPORTS:

Councilmember Powell – Councilmember Powell reported she attended a Lindon days meeting that went well and if there is anyone who wants to advertise in the Lindon Days booklet to contact Heath Bateman or Rachel Draper. She noted the booklet will go out to 10,000 homes. She also mentioned they are in need of flags for the “Flag Retirement Ceremony” and they will be asking the Stake Presidents for cub scouts in uniform to attend. She noted that she will need a signed letter from the Mayor to send to the Stake Presidents.

Councilmember Bean – Councilmember Bean had nothing to report.

Chief Cullimore – Chief Cullimore had nothing to report.

Councilmember Hoyt – Councilmember Hoyt reported that he attended a meeting with the Historic Preservation Commission tonight and things are going well. He noted they have some information they would like included in the city newsletter.

Councilmember Broderick – Councilmember Broderick reported the Matt McDonald (801-367-1838) has indicated that he would like to serve on the Planning Commission. He noted that he will get more information to Mr. Van Wagenen.

Councilmember Lundberg – Councilmember Lundberg had nothing to report.

Mayor Acerson – Mayor Acerson reported that he and Mr. Cowie met with UDOT in relation to 700 north and maintenance on the road. Mayor Acerson also commented that the Thurgood’s accepted the invitation to be the 2014 Lindon Days Grand Marshalls.

Administrator’s Report:

Mr. Cowie reported on the following items:

Misc Updates:

- June City newsletter is available on the city website
- Project Tracking List
- Reminder: Planning Commission vacancies
- Lindon Days Grand Marshal – David & Marilyn Thurgood have accepted the invitation.

- Possible Mayor's Open House dates: July 19th at Meadow Park
- Pool pump repair updates
- West-side residential development proposal
- Alpine School District / CDA update

Upcoming Meetings & Events:

- Newsletter Assignment: Councilmember Bean – July newsletter article. *Due by last week in June.*
- June 19th @ 6:30pm – Mayor's Open House. Meadow Park (1700 W 500 N)
Mayor Acerson and Councilmember Hoyt will attend.
- June 30th at Dusk. Movies in the Park. Meadow Park (1700 W 500 N)
- July 16th at Dusk. Movies in the Park. Creekside Park (100 S 600 W)
- Aug 4th-9th – Lindon Days Festival.
- Aug 5th at Dusk – Movies in the Park. City Center Park (200 N State)
- Sept 5th at Dusk – Movies in the Park. Citizenship Park (500 N 800 E)

Future items:

- Employee Policy Manual updates
- Impact Fee and Utilities rate studies
- Economic Development plan / policies

Mayor Acerson called for any further comments or discussion from the Council. Hearing none he called for a motion to adjourn.

Adjourn –

COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING
AT 12:45 P.M. COUNCILMEMBER POWELL SECONDED THE MOTION. ALL
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – July 1, 2014

Kathryn Moosman, City Recorder

Jeff Acerson, Mayor